

City of Seattle – Center Art, LLC Lease Agreement

Term

- Initial term of five (5) years
- Center Art has the option to extend for five (5) additional five-year terms
- The initial term commences on the later of April 1, 2011, or the date Center Art receives permits for demolition, clearing and grading work and takes possession of the leased premises.

Rent Payments to City

- Center Art will pay an annual base rent of \$350,000 for the initial five-year term
- Base rent increases to \$500,000 per year starting in year 6
- There are annual CPI adjustments to base rent beginning in Year 7, provided that the total CPI increase to the base rent for any 5-year extended term is capped at 10%.
- Starting in Year 6, Center Art will pay additional rent of 8% of the net proceeds from the sale of Chihuly fine art sold on the premises.
- The base rent shall commence upon the earlier of April 1, 2012, or the opening of the exhibition to the general public.
- During construction, Center Art shall pay rent of \$10,000 per month.

Public Benefits

- Center Art will donate \$1,000,000 to fund an artist-designed children's playground at Seattle Center.
- Center Art will contribute \$50,000 each year for maintenance of the children's playground.
- Center Art will make open space and pedestrian pathway improvements on approximately 38,000 square feet of the Seattle Center campus outside of the Exhibit and Gardens area.
(Note: This "Project Improvement Area" is the area between the red line and the green line on the attached Exhibit 2 to the lease.)
- Center Art will work cooperatively with Seattle Center to create a regular free admission program in conjunction with other Seattle Center resident organizations, under which Center Art shall make a minimum of 10,000 free tickets available annually.

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Center Art Community Partners

- Center Art will support arts education and engagement with at least four community partners for the initial term. These initial community partners are:
 - Seattle Public Schools – Develop an 8th grade student curriculum program and provide for transportation of students to and from the exhibit.
 - Pilchuck Glass School – Sponsorship of a new artist lecture series with Pilchuck that culminates in a celebration of the work of Pilchuck and honors the Pacific NW Studio Glass Movement.
 - Pratt Fine Arts Center – Host an annual event to provide fundraising support for the Pratt scholarship and tuition assistance program and hold an artist lecture series open to Pratt students at no charge.
 - Arts Fund – Host an annual event to raise funds for the arts.

During any extended term, Center Art will agree to work with a minimum of two (2) community partners, one (1) arts-oriented and one (1) education-oriented.

Miscellaneous

- Center Art will use all commercially reasonable efforts to design and construct the Project according to LEED Silver standards.
- At the end of the lease term, all capital improvements made to the premises by Center Art, other than the improvements in public areas, shall be removed at Center Art's expense, provided that the Seattle Center Director has the option under the lease to allow the improvements (with the exception of artwork) to remain and become City property.